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THE WORKFORCE INVESTMENT ACT

The Workforce Investment Act (WIA or Act) Pub. L. 105–220 (August 7, 1998) provides the framework for a reformed national workforce investment system designed to meet the needs of the nation's employers, job seekers and those who want to further their careers. One of the key reforms contained in the Act is the establishment of a comprehensive accountability system to assess the effectiveness of State and local areas in providing employment and training services. The Act requires:

- A focus on results defined by core indicators of performance;
- Measures of customer satisfaction with programs and services;
- A strong emphasis on continuous improvement;
- Annual performance levels developed as a result of negotiations among Federal, State and local partners;
- Incentive awards and financial sanctions based on State performance; and
- Reporting and dissemination of performance results.

The Act represents the first major reform of the nation's job training system in 15 years. The enactment of this legislation is the culmination of a bi-partisan effort on the part of the Clinton Administration and the Congress to design a revitalized workforce system that provides quality services to job seekers, workers, and employers.

The WIA envisions a high performance workforce investment system that is customer-driven, results-oriented, flexible, and continuously improving. The Act's purpose is clearly stated as: To provide workforce investment activities that increase participants' employment, retention, earnings, and skill attainment and as a result:

- Improve the quality of the workforce;
- Reduce welfare dependency; and
- Enhance the productivity and competitiveness of the nation.

The WIA reforms Federal job training programs and creates a new, comprehensive workforce investment system. The reformed system is intended to be customer-focused, to help Americans access the tools they need to manage their careers through information and high quality services, and to help U.S. companies find skilled workers. This new law embodies seven key principles. They are:

- *Streamlining services* through better integration at the street level in the One-Stop delivery system. Programs and providers will co-locate, coordinate and integrate activities and information, so that the system as a whole is coherent and accessible for individuals and businesses alike.

- *Empowering individuals* in several ways. First, eligible adults are given financial power to use Individual Training Accounts (ITA's) at qualified institutions. These ITA's supplement financial aid already available through other sources, or, if no other financial aid is available, they may pay for all the costs of training. Second, individuals are empowered with greater levels of information and guidance, through a system of consumer reports providing key information on the performance outcomes of training and education providers. Third, individuals are empowered through the advice, guidance, and support available through the One-Stop system, and the activities of One-Stop partners.

- *Universal access.* Any individual will have access to the One-Stop system and to core employment-related services. Information about job vacancies, career options, student financial aid, relevant employment trends, and instruction on how to conduct a job search, write a resume, or interview with an employer is available to any job seeker in the U.S., or anyone who wants to advance his or her career.

- *Increased accountability.* The goal of the Act is to increase employment, retention, and earnings of participants, and in doing so, improve the quality of the workforce to sustain economic growth, enhance productivity and competitiveness, and reduce welfare dependency. Consistent with this goal, the Act identifies core indicators of performance that State and local entities managing the workforce investment system must meet—or suffer sanctions. However, State and local entities exceeding the performance levels can receive incentive funds.

- *Strong role for local workforce investment boards and the private sector,* with local, business-led boards acting as ''boards of directors,'' focusing on strategic planning, policy development and oversight of the local workforce investment system. Business and labor have an immediate and direct stake in the quality of the workforce investment system.

- *State and local flexibility.* States and localities have increased flexibility, with significant authority reserved for the Governor and chief elected officials, to build on existing reforms in order to implement innovative and comprehensive workforce investment systems tailored to meet the particular needs of local and regional labor markets.

- *Improved youth programs* linked more closely to local labor market needs and community youth programs and services, and with strong connections between academic and occupational learning.

This legislation provides unprecedented opportunity for major reforms that can result in a reinvigorated, integrated workforce investment system. States and local communities, together with business, labor, community-based organizations, educational institutions, and other partners, must seize this historic opportunity by thinking expansively as they design a customer-focused, comprehensive delivery system.

The success of the reformed workforce investment system is dependent on the development of true partnerships and honest collaboration at all levels and among all stakeholders. While the Workforce Investment Act and these regulations assign specific roles and responsibilities to specific entities, for the system to realize its potential necessitates moving beyond current categorical configurations and institutional interests. Also, it is imperative that input is received from all stakeholders and the public at each stage of the development of State and local workforce investment systems.